

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK

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BROOKS HOUGHTON SECURITIES, INC.,
GERALD HOUGHTON, KEVIN CENTOFANI,
AND HIROSHI YOSHIDA

07 Civ. 6275 BSJ

Petitioners,

AMENDED AFFIDAVIT

-against-

LIFE PARTNERS HOLDINGS INC.,

Respondent.

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STATE OF TEXAS)
) ss:
COUNTY OF MCLENNAN)

BEFORE ME, the undersigned authority, did personally appear R. Scott Peden, who, first being duly sworn, deposes and says:

1. I am over the age of 21 and am capable of making this affidavit. I have never been convicted of a felony or a crime of moral turpitude.
2. I am the Corporate Secretary and General Counsel and a Director of Life Partners Holdings, Inc. (LPHI). I have been the Corporate Secretary/General Counsel and a Director of LPHI since 2000. Because of my position, I am personally familiar with, and aware of, the business activities of LPHI.
3. LPHI is a holding company whose primary operating subsidiary serves as the purchasing agent of life settlements for individual and corporate investors.
4. LPHI is a corporation organized and existing under the law of Texas. LPHI's principle place of business is in Waco, Texas.

5. LPHI does not engage in any continuous or systematic course of business in New York or transact any business within or directed to New York. LPHI has no offices or employees in New York and does not direct activities in New York which might reasonably cause LPHI to anticipate being subject to jurisdiction in New York.

6. LPHI has not committed any tortious act or breach of contract in New York or outside New York which caused injury or damage in New York

7. LPHI does not own or possess any real property located in New York.

8. On April 18, 2007 LPHI commenced an arbitration proceeding against Brooks, Houghton Securities Inc., Gerald Houghton, Kevin Centofanti, and Hiroshi Yoshida (collectively "Petitioners") with the National Association of Securities Dealers ("NASD"). Attached hereto as Exhibit A is a true and accurate copy of LPHI's NASD Complaint.

9. The NASD website reflects that the Petitioners are all NASD Members or persons associated with an NASD Member.

10. LPHI's claim against the Petitioners in the NASD Arbitration is based on their breach of fiduciary duties and duties of good faith and fair dealing as members of the NASD. In the NASD Arbitration, LPHI seeks the fees and costs it incurred in the AAA Arbitration based on the fact that Brooks, Houghton & Co., at Petitioners' wrongful urging, commenced the case against LPHI in bad faith, without probable cause, and simply to harass LPHI.

11. Attached hereto as Exhibit B is a true and correct copy of NASD Notice to Members 07-07.

12. Attached hereto as Exhibit C is a true and correct copy of Section 12200 of the NASD Code of Arbitration Procedure for Customer Disputes.

13. Attached hereto as Exhibit D is a true and correct copy of NASD Interpretive Material, IM 12000.


R. Scott Peden

Subscribed and sworn to before me on this 8th day of August, 2007, by R. Scott Peden who is personally known to me.




NOTARY SIGNATURE
IN AND FOR THE STATE OF TEXAS

My Commission Expires: 5-13-2009